



## *Trade and Agriculture* **What's at Stake for Nevada?**

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Nevada produces and exports agricultural products. In 2000, the state's farm cash receipts totaled \$386 million. Exports in 2000 were estimated at \$5.1 million. Agriculture is important to Nevada's economy. It creates jobs on farms and also supports jobs in related sectors, such as food processing, transportation, and manufacturing.

Nevada's top agricultural exports in 2000 were:

- # wheat and products – \$2.2 million
- # live animals and meat – \$1.1 million
- # planting seeds – \$1.8 million

World demand for agricultural products is increasing, but so is competition among suppliers. If Nevada's industries are to compete successfully for export opportunities in the 21st century, they need *fair trade* and *more open access* to growing global markets.

### **Nevada Benefits From Trade Agreements**

Nevada is benefitting from trade agreements. While there is still much to be done, examples of market opportunities include:

- # Trade agreements benefit all Americans. The North American Free Trade Agreement (NAFTA) and the Uruguay Round agreement have resulted in annual gains of between \$1,260 and \$2,040 for the average American family of four. Free trade and open markets provide real benefits: lower prices, more choices, and higher incomes.
- # Nevada benefitted from limits set on subsidized wheat exports as a result of the Uruguay Round agreement. These limits influenced the European Union's decision to change its Common Agricultural Policy, ultimately lowering internal EU market prices to world price levels. As a result, annual EU wheat exports dropped from 22 million tons to about 14 million tons as lower market prices stimulated domestic use, and annual EU wheat imports jumped from 1.5 million tons to 4.5 million tons as the levied margin of protection fell. This translates to an 11-percent reduction in global export competition and a 3-million-ton increase in the EU market, half of which is supplied by the United States.
- # Under NAFTA, Mexico eliminated import licensing for wheat and is phasing out tariffs. Since 1994, average annual U.S. wheat exports to Mexico have more than doubled, from 20 million bushels to nearly 50 million bushels. In 2000, exports reached 66 million bushels valued at \$200 million.